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Greece

Canned Deciduous Fruit

Annual

2004

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Report Highlights:
The peach crop in Greece is expected to rebound to a level much higher than the MY 2003/04 disaster-striken crop of 114,00 tons. The estimate for MY 2004/05 production is 925,000 tons. Deliveries to canners are estimated to be 320,000 tons in 04/05. Exports last year were low at 11,738 tons. The poor quality and high price of 03/04 Greek peaches kept them from being sold. Integrated pest management and certification of IPM are improving product quality.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
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Executive Summary

Peaches

Production

Weather conditions this season were favorable although, peach farmers feel it is too soon to come to any conclusions about total production. April is a critical month in the blooming stage which is vulnerable to frost, and extreme weather. In the beginning of April 2004, peach trees promise a rich crop. This is very encouraging for farmers and processors taking into account last year's damaging frost. Predictions at this point indicate that the 2004 peach production (both clingstone and freestone) will be a high level, which is estimated to reach 925,000 tons.

	2003	2004
Metric Tons		
Peaches		
Clingstone	64,000	600,000
Freestone	44,000	325,000
Total peaches	108,000	925,000

The utilization of the 2002 and 2003 peach crops, based on official data, is as follows.

	2002 (MTs)	2003 (MTs)
Processed for canned peaches	238,000	50,000
Processed for other products	20,000	20,000
Fresh Domestic Production	211,384	32,262
Fresh Exports	76,474	11,738
Total Marketed peaches	537,858	114,000
Withdrawals	5,551	-
Farm Use and Waste	52,595	-
Total	596,004	114,000

In MY 2003/04 frost damage left Greek processors with very little product to sell internationally. Canned peach processors experienced the worst season, ever reported in Greece.

For MY 2004/05 farmers and processors are cautions in their predictions due to last year's failure, but the expected production is estimated to increase significantly. Judging from the appearance of the peach trees up to early April, the amount of clingstone peaches to be delivered to processors for canned peaches is currently estimated to reach 320,000 tons. An additional 280,000 tons will be channeled to processing for other products (puree, diced and frozen) as well as to the juice sector (approximately 120,000 tons). Withdrawals will take place if the crop continues to develop without frost, but it is too early to specify the actual amount. According to the EU Regulation, withdrawals cannot exceed 10% of the total marketable amount.

In MY 2003/04 clingstone peach farmers received the record price of €0.6 /kg, which was extremely high due to the shortage of clingstone peaches. This year the final price for farmers and processors has not been decided but it is certain that it will fluctuate at much lower levels. Farmer organizations and producers final price negotiations will start in May 2004.

Consumption

In 2003, the extremely high price for freestone peaches and their low quality has led Greek consumers to switch to other fresh fruits. Despite the low freestone peach crop, Greek consumers did not show any preference for canned products.

According to processors, the low quality of canned peaches, in 2003/04 MY, has created an international consumer mistrust for Greek canned products. For this season (2004/05 MY) processors are very confident that the crop quality will be better and hope to regain the trust of the markets.

Greek consumption of canned peaches is stable at about 400,000 boxes per MY, but this year due to the forthcoming Athens 2004 Olympic games, processors are hoping for an increase of consumption of canned peaches and generally canned products. According to early estimates, domestic consumption this year is expected to reach 730,000 boxes.

Trade

In 2003/04 MY, there was a remarkable rise in export prices due to the failure of the peach crop. Reportedly, standard quality prices have fluctuated between €17.00-17.2/box and choice quality price was €18.00/box (ex-factory price). Non-competitive export prices and low quality meant that the majority of canned peach production remained unsold. According to the industry, the absence of Greek canned products from the international markets in MY 2003/04 has created instability in the market and has allowed other competitors like Spain to sell canned products at higher prices.

According to early estimates, export prices for MY 2004/05 will be much lower assuming that this year the clingstone peach crop output will follow the estimates explained above.

In regard to freestone peaches, in MY 2003/04, the total exported quantity reached only 11,738 tons (3,274 was destined to EU countries) compared to 76,474 tons, which were exported the previous year in 2002/03.

Stocks

According to industry sources, due to high export prices and low quality, sales for MY 2003/04 were extremely low and the amount of stocks by the end of June 2004 will be 23,700 tons, which corresponds to approximately 1,160,000 boxes. This amount of stocks is remarkable considering the extremely short 2003 clingstone peach crop, but is consistent with the product price and quality. Same sources report that until the end of the current marketing season, it is very uncertain whether these amounts will be sold, due to very bad quality.

In MY 2002/03, compared to a normal year, the drastic reduction of sellable product of good quality causes anxiety to the industry, which plan to intensify processing activity this year in order to reach a desirable level in stocks and on the other hand to satisfy demand. By the end of 2004/05 MY, processors are expecting to increase stocks significantly compared to the previous year in order to become competitive in the future.

Policy

In MY 2003/04 farmers, according to measures taken by the Government of Greece to compensate them (discussed in detail in GR3021) have received the amount of €0.278/kg plus the EU support price of €0.048/kg and the price paid by the processors, which was set at €0.5/kg. All compensation payments have been carried out by March 2004.

Farmers and processors agree that last year was profitable for the farmers despite the short peach crop mostly due to the package of compensation measures taken by the Greek Government. On the other hand, the Greek Government has not favored the industry which was the only sector adversely affected by bad weather conditions this period. At the same time, GOG measures taken to support the processing sector, such as the delay of bank loan payments, were criticized severely by processors, who believe that the bank system would have made similar concessions considering the credibility of the peach industry.

According to early estimates in the MY 2004, the above situation seems to reverse as there will not be any shortage of clingstone peaches and farmers will not receive high prices. Farmers seem anxious for the forthcoming negotiations with processors in order to decide on a fixed farmer price and they feel insecure due to the lack of unity among farming groups.

The processing sector considers the cost reduction as a very critical issue in order to become more competitive after the recent crisis despite the fact that farmers this year may face the danger of not covering their production expenses. Another important issue is the assurance of the peach quality, which is safeguarded by the integrated pest management (IPM), plans set by the EU. At present, 1,000 ha of orchards have entered the IPM system and according to farmers and processors, peach certification is described as a very sufficient and productive procedure ensuring the best quality of fresh peaches channeled to processing. Farmers complain about increased costs of IPM for certifications required but under the proper agricultural practices they expect to see benefits in the long term. Due to some pesticide residue problems in the past with Greek peach shipments to the USA and other countries, processors are very willing to buy peaches grown using the IPM management system. According to industry sources, processors have recommended payment of EU support prices only to growers who cultivate peaches under integrated pest management.

Clingstone peach cultivation in the north of Greece is considered to be the best crop alternative available to farmers. If the goal is to keep population remaining in these rural areas fruit trees are the answer. Some farmers have chosen to replace other crops like asparagus, formerly very profitable, with peaches. There no official data to estimate these new plantings of peach trees, but according to farm sources, peach trees increased by approximately 20% over the last two years with an upward trend.

The MY 2004/05 support price, which is paid directly to growers, is still set at €0,0477/kg.

Canned Mixtures

Production

According to industry sources there is an upward trend in canned fruit mixtures production. This trend is mainly due to Italy’s increased competition and the parallel increased demand from the Japanese and US markets.

In 2003/04 MY, canned mixtures production was reduced by 20% compared to 2002/03 MY, affected mostly by the short peach crop and a lack of pears, mostly of the variety Williams. The production of canned mixtures reached the level of 1,200,000 boxes (24x1) in 2003/04.

In MY 2004/05, canned mixtures production is expected to reach ordinary levels at approximately 2,500,000 cases (24x1) and possibly more. This figure is subject to further revision later in the year.

For the 2004 season, the volume of canned diced peaches utilized for canned fruit mixtures is estimated at 8,500 tons. The corresponding number of fresh pears is expected to reach approximately 5,500 tons. In MY 2003/04 only 3,800 tons of fresh pears were channeled to the processing sector.

Imports of fresh pears from China and Argentina covered pear shortages for processing purposes. Farm price for MY 2003/04 reached €0.33/kg for fresh domestic pears channeled to processing plants. For the 2004 season this price is not expected to differ substantially.

Trade

In MY 2003/04 indicative ex factory prices per box for good standard and choice quality are €20.0 and €20.5 respectively. Export activity was higher compared to canned peaches, although prices fluctuated at high levels.

Policy

The EU subsidy to pear producers is still set at €0.16/kg for MY 2003/04, but only for those pears delivered for processing. This period farmers received the full amount of subsidy because they have not exceeded the EU quota level.

Stocks

Similar to the case of canned peaches, there is a drastic reduction in the quantity of stocks for canned mixtures, which are estimated at about 95,000 boxes by the end of June 2003. Processors are hoping to increase the amount of canned mixtures stocks this year.

Canned Apricots

Production

In MY 2003/04 fresh apricot production was not affected too much by frost because of the larger percentage of apricot orchards located mostly in Southern Greece where weather conditions through spring 2003 were not too severe.

The utilization of the 2002 and 2003 apricot crops, based on most recent data available, is as follows.

	2002 (MT)	2003 (MT)
Processed for canned apricots	14,000	18,000
Processed for other products	26,400	20,000
Fresh Domestic Production	4,776	5,000
Fresh Exports	6,750	5,810
Total Marketed Apricots	51,926	48,810
Withdrawals	13	10
Farm Use and Waste	2,461	4,541
Total	54,400	53,361

In 2003, due to the shortage of peaches, a high percentage of the 53,361 tons was delivered for processed canned apricots and juice. The shortage of clingstone peaches motivated processors to use apricots instead of peaches in order to keep a number of processing plants under operation.

In the 2004 season, the apricot crop is expected to be reduced 20% compared to last year, mostly due to frost prevailing in the southern part of the country. The amount of apricots to be delivered to processors is estimated at 17,000 tons. According to the industry, the juice sector is expected to utilize lower amounts of apricots compared to last year, due to the abundance of peaches.

Policy

The short 2003 clingstone peach crop led to high farm prices for fresh apricots, which reached the amount of €0.62/kg. In MY 2004/05, prices for apricots for delivery to processors are expected to be lower.

Apricots are considered to be a very promising cultivation for the processing industry, despite their sensitivity to soil conditions and cold winter weather which dominate in Northern Greece. For the 2003 season due to lack of enough amounts of available peaches, processors have preferred to use more apricots. This keeps their facilities in operation.

On the other hand, the apricot crop is declining in the Southern part of Greece as a result of spreading Sharka virus, which destroys the fruit's skin and makes fruit unsuitable for processing.

Contrary to the processed products, exports of fresh apricots from Greece are declining more and more due to low international market prices. Fresh apricots are a product already seriously affected by low prices.

Restructuring of the crop towards new varieties suitable for processing seems to be the solution for both farmers and processors.

Trade

Exports of canned apricots in the MY 2003/04 were increased by 16.6% compared to a year earlier, mostly due to a slight increase in the processed apricot production. An indicative export price for canned apricots in the 2003 season was at €20 for 24x1 kg pack, mostly for EU destinations. In MY 2003/04, export prices are expected to remain at normal levels.

PS&D Table, Canned Peaches

PSD Table

Country Greece

Commodity Canned Peaches (MT)(MT, Net Weight)

	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official [	Estimate [	DA Official [	Estimate [	DA Official [	Estimate [New]	
Market Year Begin		06/2002		06/2003		06/2004	MM/YYYY
Deliv. To Processors	238000	238000	50000	50000	0	320000	(MT)
Beginning Stocks	57000	57000	41000	41000	18700	23700	(MT, Net Weight)
Production	290000	290000	61700	61700	0	384000	(MT, Net Weight)
Imports	1000	1000	3000	3000	0	800	(MT, Net Weight)
TOTAL SUPPLY	348000	348000	105700	105700	18700	408500	(MT, Net Weight)
Exports	295000	295000	80000	75000	0	360000	(MT, Net Weight)
Domestic Consumption	12000	12000	7000	7000	0	15000	(MT, Net Weight)
Ending Stocks	41000	41000	18700	23700	0	33500	(MT, Net Weight)
TOTAL DISTRIBUTION	348000	348000	105700	105700	0	408500	(MT, Net Weight)

Export Trade Matrix, Canned Peaches

Export Trade Matrix

Country Greece

Commodit Canned Peaches

Time Period		Units:	MT
Exports for:	2002		**2003**
U.S.	15628	U.S.	6175
Others		Others	
France	12475	France	4807
Germany	86492	Germany	43913
U.K	28827	U.K	18386
Italy	20782	Italy	5557
Belg-Lux	6991	Belg-Lux	2101
Other EU	19710	Other EU	12611
>Sub Total EU	175277	>Sub Total EU	87375
Poland	24036	Poland	12735
Canada	16511	Canada	3576
Rusian Federat	15119	Rusian Federat	8651
Total for Others	230943		112337
Others not Liste	78300		24638
Grand Total	324871		143150

Import Trade Matrix, Canned Peaches

Import Trade Matrix

Country Greece

Commodit Canned Peaches

Time Period		Units:	MT
Imports for:	2002		**2003**
U.S.	459	U.S.	453
Others		Others	
Germany	1138	Germany	1173
Italy	222	Spain	2258
Other EU	940	Other EU	1097
>Sub Total EU	2300	>Sub Total EU	4528
South Africa	1143	South Africa	1962
Egypt	55	Argentina	3104
Total for Others	3498		9594
Others not Listed			1296
Grand Total	3957		11343

PS&D Table, Canned Mixtures

PSD Table

Country Greece

Commodity Canned Mixtures (MT)(MT, Net Weight)

	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official [	Estimate [	DA Official [	Estimate [	DA Official [	Estimate [New]	
Market Year Begin		06/2002		06/2003		06/2004	MM/YYYY
Deliv. To Processors	0	0	0	0	0	0	(MT)
Beginning Stocks	4343	4343	4243	4243	1943	1943	(MT, Net Weight)
Production	30000	30000	24000	24000	0	50000	(MT, Net Weight)
Imports	900	900	500	500	0	100	(MT, Net Weight)
TOTAL SUPPLY	35243	35243	28743	28743	1943	52043	(MT, Net Weight)
Exports	28000	28000	25000	25000	0	45000	(MT, Net Weight)
Domestic Consumption	3000	3000	1800	1800	0	5000	(MT, Net Weight)
Ending Stocks	4243	4243	1943	1943	0	2043	(MT, Net Weight)
TOTAL DISTRIBUTION	35243	35243	28743	28743	0	52043	(MT, Net Weight)

Export Trade Matrix, Canned Mixtures

Export Trade Matrix

Country Greece

Commodit Canned Mixtures

Time Period		Units:	MT
Exports for:	2002		**2003**
U.S.	1415	U.S.	976
Others		Others	
UK	3021	UK	2441
Belgium-Lux.	1832	Belgium-Lux.	1710
Germany	4094	Germany	2336
Other EU	2753	Other EU	1312
>Sub Total EU	11700	>Sub Total EU	7799
Japan	1886	Japan	1527
Canada	2997	Canada	1662
Egypt	596	Egypt	330
Russian	123	Russian	78
Total for Others	17302		11396
Others not Liste	1617		1010
Grand Total	20334		13382

Import Trade Matrix, Canned Mixtures

Import Trade Matrix

Country Greece

Commodit Canned Mixtures

Time Period		Units:	MT
Imports for:	2002		**2003**
U.S.		U.S.	
Others		Others	
Germany	804	Germany	737
France	77	France	34
Belgium-Lux.	268	Belgium-Lux.	180
Italy	352	Italy	164
Other EU	262	Other EU	183
>Sub Total EU	1763	>Sub Total EU	1298
Thailand	63	Thailand	105
Total for Others	1826		1403
Others not Liste	6		71
Grand Total	1832		1474

PS&D Table, Canned Apricots

PSD Table

Country Greece

Commodity Canned Apricots (MT)(MT, Net Weight)

	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official [	Estimate [	DA Official [	Estimate [	DA Official [	Estimate [New]	
Market Year Begin		06/2002		06/2003		06/2004	MM/YYYY
Deliv. To Processors	14000	14000	18000	18000	18000	17000	(MT)
Beginning Stocks	247	247	1147	1147	2867	2867	(MT, Net Weight)
Production	17000	17000	21900	21900	0	20600	(MT, Net Weight)
Imports	400	400	320	320	0	330	(MT, Net Weight)
TOTAL SUPPLY	17647	17647	23367	23367	2867	23797	(MT, Net Weight)
Exports	15000	15000	18000	18000	0	17000	(MT, Net Weight)
Domestic Consumption	1500	1500	2500	2500	0	2800	(MT, Net Weight)
Ending Stocks	1147	1147	2867	2867	0	3997	(MT, Net Weight)
TOTAL DISTRIBUTION	17647	17647	23367	23367	0	23797	(MT, Net Weight)

Export Trade Matrix, Canned Apricots

Export Trade Matrix

Country Greece

Commodit Canned Apricots

Time Period		Units:	MT
Exports for:	2002		**2003**
U.S.		U.S.	
Others		Others	
Germany	4702	Germany	4189
France	4991	France	5926
Italy	1028	Italy	840
UK	867	UK	733
Other EU	1896	Other EU	1527
>Sub Total EU	13484	>Sub Total EU	13215
Russia	1556	Russia	721
Poland	598	Poland	213
Czechia	762	Czechia	428
Croatia	162	Croatia	90
Total for Others	16562		14667
Others not Liste	699		1118
Grand Total	17261		15785

Import Trade Matrix, Canned Apricots

Import Trade Matrix

Country Greece

Commodit Canned Apricots

Time Period		Units:	MT
Imports for:	2002		**2003**
U.S.		U.S.	
Others		Others	
Germany	317	Germany	24
UK	38	UK	38
Other EU	56	Other EU	109
>Sub Total EU	411	>Sub Total EU	171
Turkey	561	Turkey	631
Total for Others	972		802
Others not Liste	208		252
Grand Total	1180		1054